



МОНГОЛБАНК
МОНГОЛ УЛСЫН ТӨВ БАНК

NON-MINING EXPORT AND FINANCING

B. Dulamzaya, Director of the Research Department,
Research and Statistics Department

2025.11.17



I. BACKGROUND OF THE NON-MINING EXPORT

The consideration of the non-mining sector

94,041

Enterprises are currently operating.

2024.III

27.8 trillion MNT

It accounts for 87% of the Gross Domestic Product (GDP).

2024

1,046,238

It accounts for 75% of the total labor force.

**Note: Excluding the mining, public administration, education, and human health sectors, the figures are calculated on a weighted basis by number of employees (Q2 2025)*

2,426 thou MNT

The average monthly wage is 2.4 times lower than that of the mining sector.

**Note: Excluding the mining, public administration, education, human health, and NGO sectors, the figures are calculated on a weighted basis by number of employees (Q2 2025)*

21.8 million MNT

Productivity in the non-mining sector is lower than the national average.

2024

1,130 million USD

It accounts for 7.2% of total exports.

2024

14.6 trillion MNT

It accounts for 88% of the total outstanding bank loans issued to the private sector.

2024.III

8,446 million USD

It accounts for 25% of total FDI, which is 3.1 times lower than that of the mining sector.

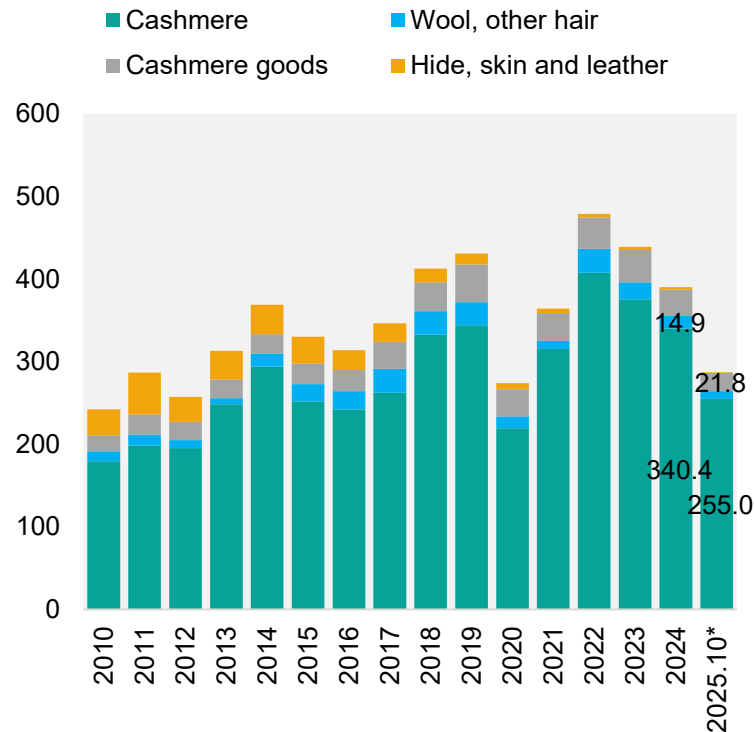
2024.III



I. BACKGROUND OF THE NON-MINING EXPORT

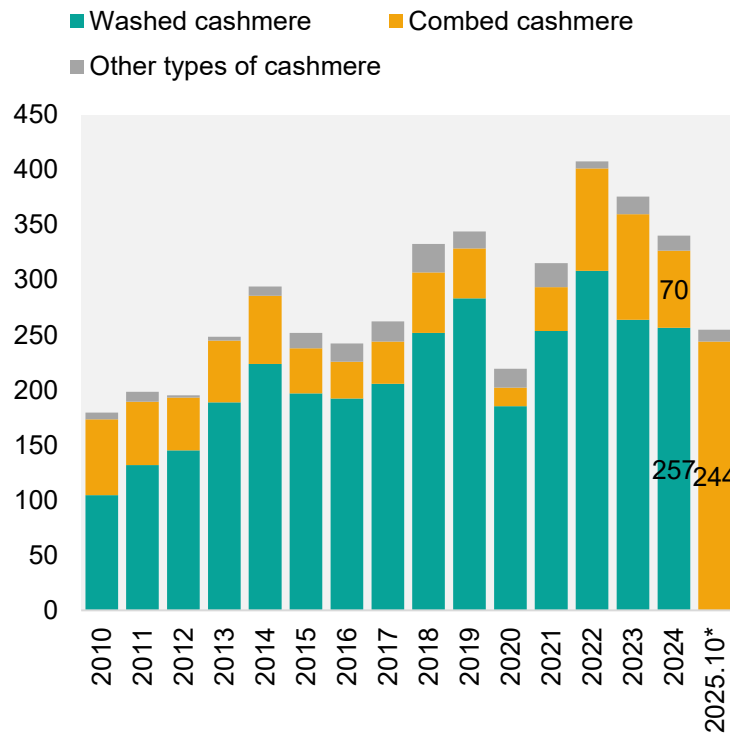
Non-mining export

Figure 1. Structure of non-mining exports by main product categories, million USD



Source: General Department of Customs

Figure 2. Cashmere exports by cashmere type, million USD



Source: General Department of Customs

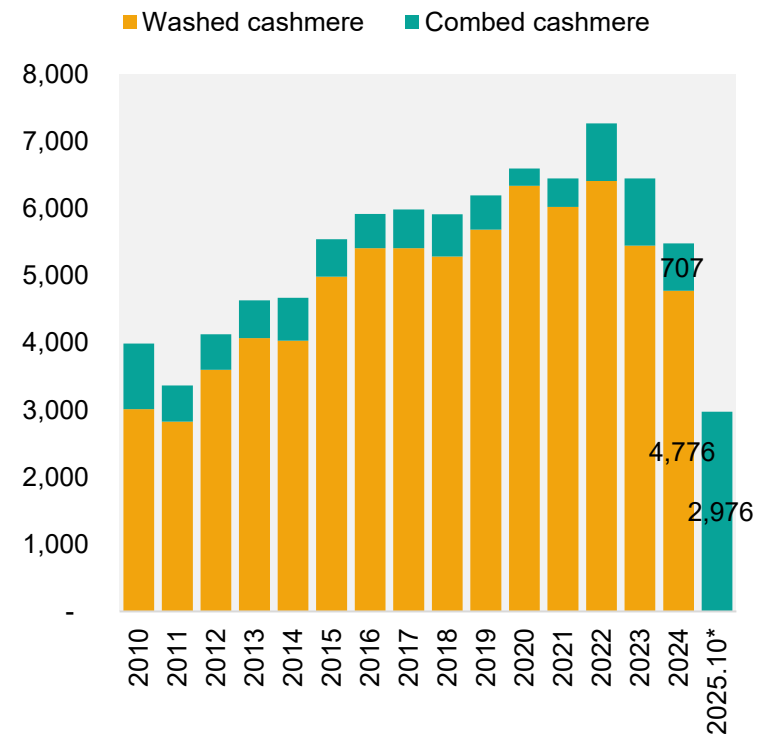
- Cashmere, cashmere products, wool, other animal fibers, and hides and skins together account for around 35% of non-mining exports.
- On average, about USD 400 million worth of these products are exported annually.
- With the cashmere technical regulation approved in 2022 taking effect from February 1, 2025, cashmere export processing has been upgraded by one level.



I. BACKGROUND OF THE NON-MINING EXPORT

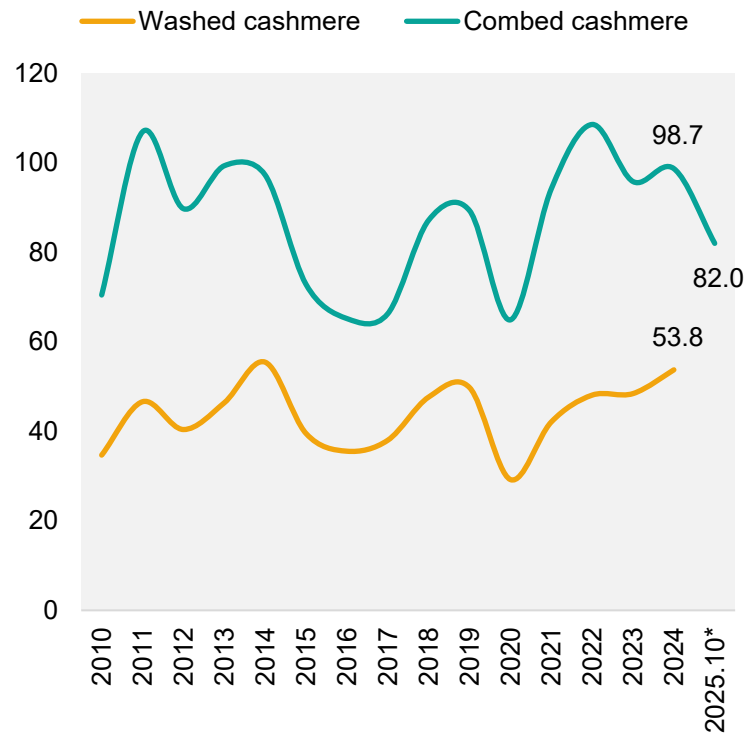
Non-mining export

Figure 3. Volume of cashmere exports by cashmere type, thousand tons



Source: General Department of Customs

Figure 4. Border prices of cashmere exports by type, USD/kg



Source: General Department of Customs

- Cashmere had predominantly been exported in washed form.
- Since the technical regulation on cashmere exports came into effect in February 2025, cashmere has begun to be exported in combed form.
- The border price of combed cashmere is 1.8 times higher than that of washed cashmere.



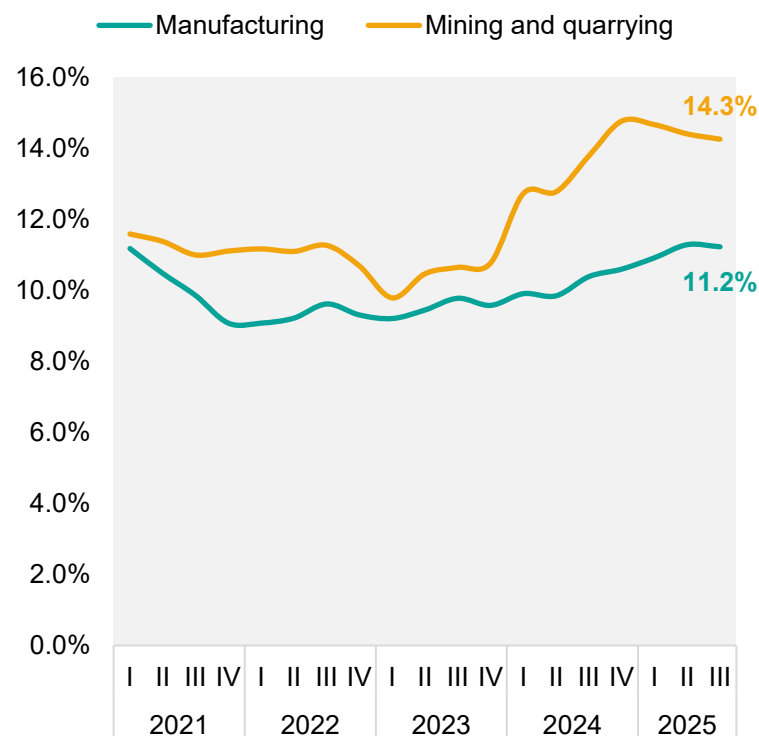
SLIDES ARE HERE



I. BACKGROUND OF THE NON-MINING EXPORT

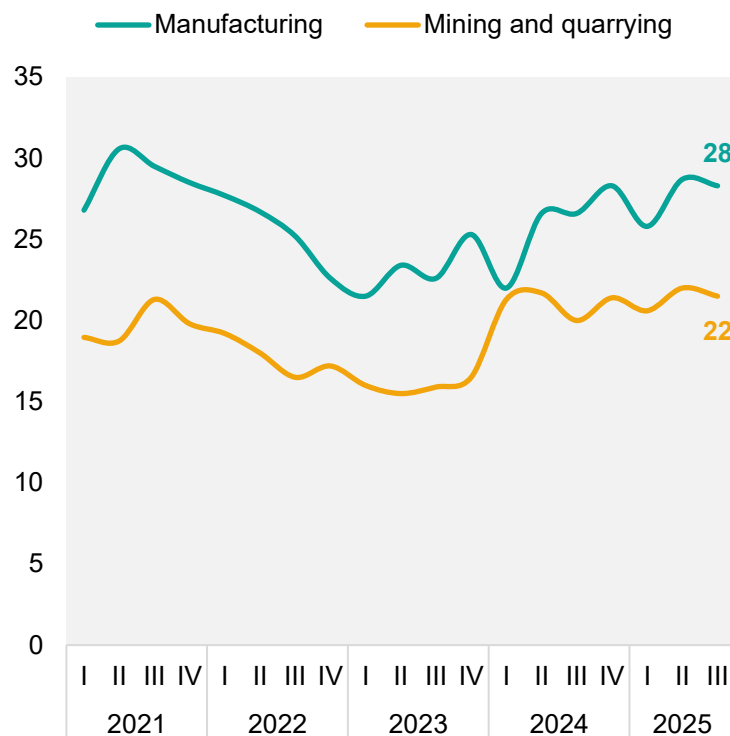
Financing conditions of the sector

Figure 5. Weighted average interest rate of outstanding loans, year



Source: Bank of Mongolia

Figure 6. Weighted average maturity of outstanding loans, in months



Source: Bank of Mongolia

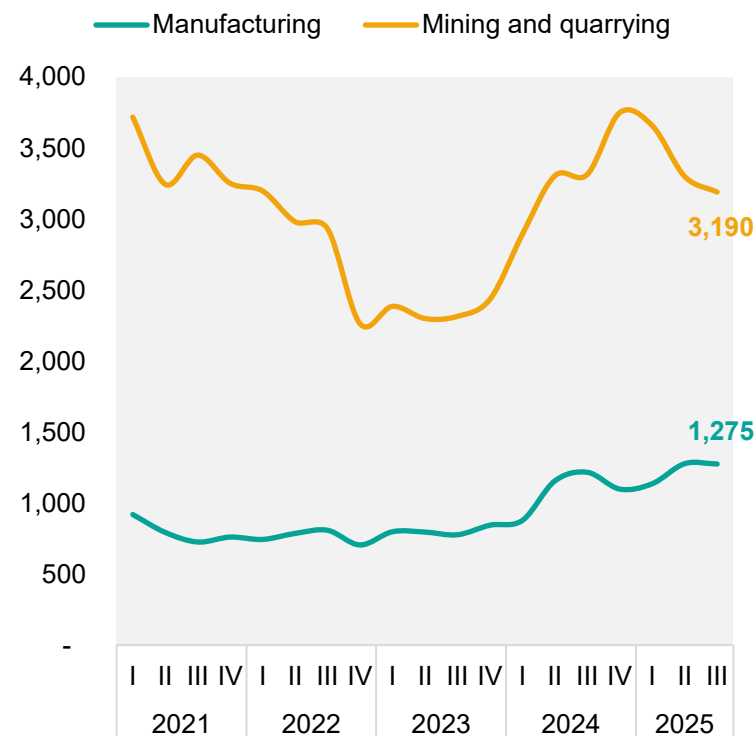
- The manufacturing sector has loans with an average annual interest rate of 11.2% and an average maturity of 28 months.
- In comparison, domestic financing conditions for the mining sector are relatively less favorable, with higher interest rates and shorter loan maturities.



I. BACKGROUND OF THE NON-MINING EXPORT

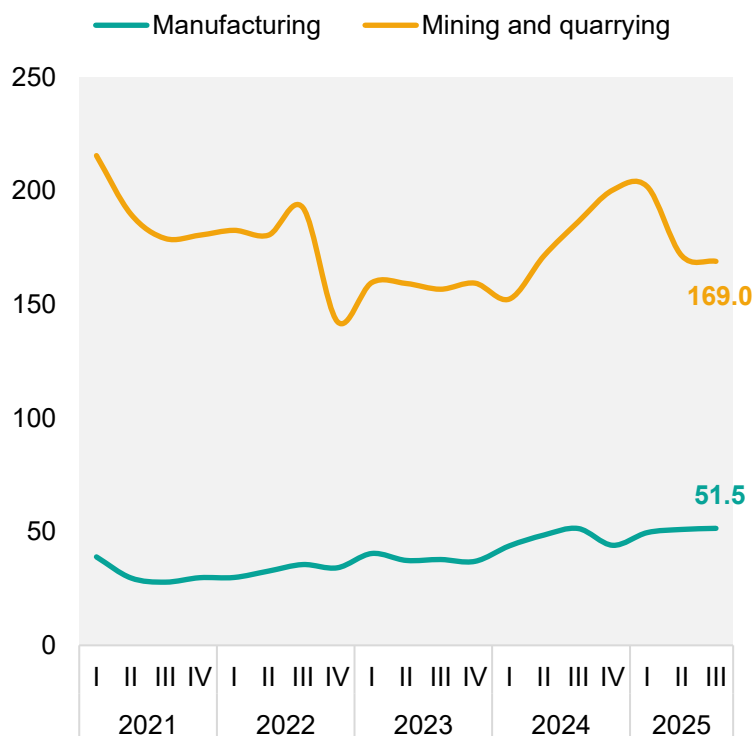
Financing conditions of the sector

Figure 7. Average loan amount per borrower, million MNT



Source: Bank of Mongolia

Figure 8. Average monthly payment per borrower, million MNT



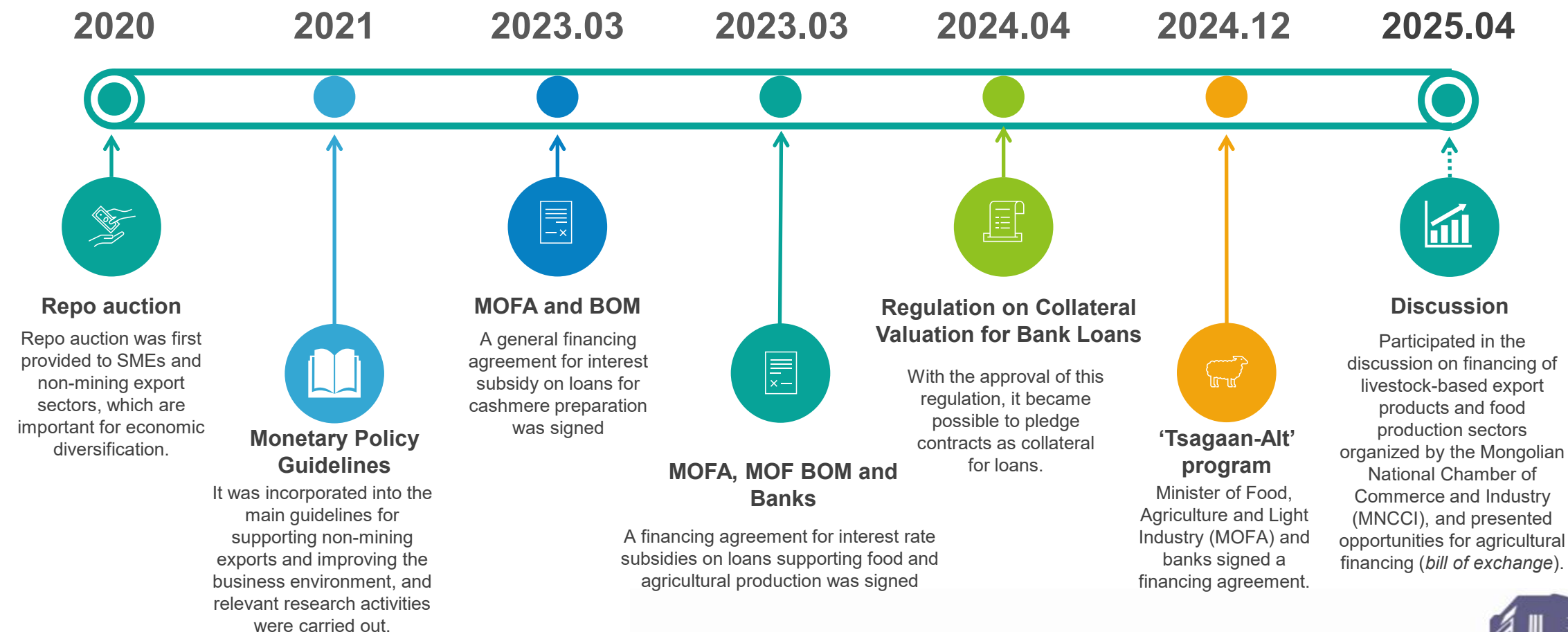
Source: Bank of Mongolia

- As of Q3 2025, the number of loan accounts in the manufacturing sector is 1,995.
- The average loan amount per borrower in this sector is approximately 1.275 billion MNT.
- The average monthly loan payment is 51.5 million MNT, which is 3.3 times lower than that of the mining sector.



I. BACKGROUND OF THE NON-MINING EXPORT

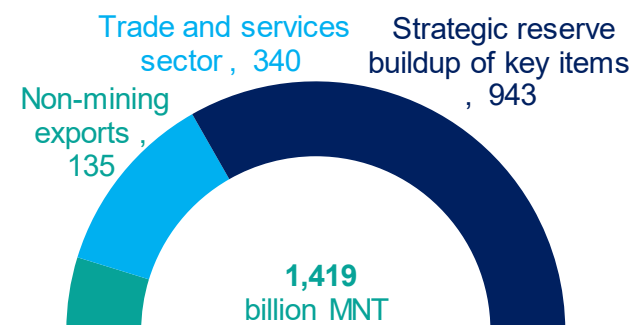
Overview of key events implemented in the sector in recent years



I. BACKGROUND OF THE NON-MINING EXPORT

Repo Auction

Figure 9. Amount of repo auction by sector



No	Economic Activity Sector	Total Amount Granted, Billion MNT	Number of Borrowers
1	Wholesale and retail trade	669.6	1,843
2	Manufacturing	221.7	284
3	Other service activities	127.9	542
4	Construction	50.2	166
5	Accommodation and food service activities	54.5	151
6	Household Production	44.7	409
7	Health	65.1	168
8	Transportation and storage	45.0	205
9	Real estate activities	31.5	76
10	Other	102.9	237
Total		1,419.2	4,103

- Repo auction was first introduced in Q4 of 2020, initially targeting SMEs and non-mining export sectors.
- From 2021, it was expanded to cover the services, manufacturing, and trade sectors, and from 2022, it also included stockpiled meat preparation and medical supplies.
- As of September 2025, a total of 4,103 borrowers have received 1,419 billion MNT in financing through banks.
- For wool and cashmere processing and raw material preparation, 16 borrowers received 42.4 billion MNT in financing.
- As of October 31, 2025, the average outstanding loan per borrower is 408 million MNT



I. BACKGROUND OF THE NON-MINING EXPORT

Financing provided under the 'Tsagaan-Alt' program

Figure 10. Loan application

171 loan application were approved



Figure 11. Issued financing

Issued amount
473.1 billion MNT,
168 borrowers

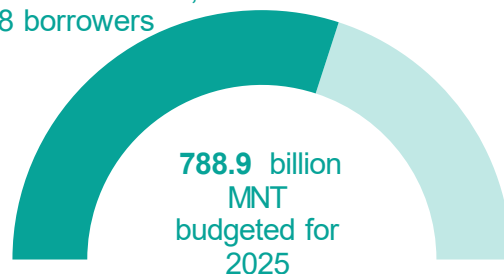


Figure 12. Issued financing by loan type

366.3 billion MNT in working capital

106.8 billion MNT in investment

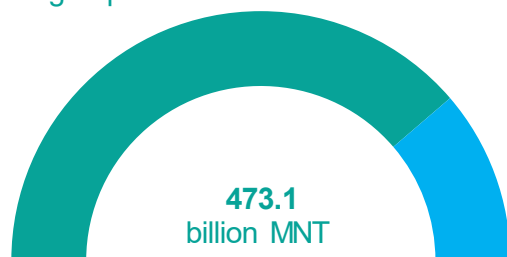


Figure 13. Issued financing by loan purpose

Cashmere ,
349

Wool , 82

Hides and
skins , 42



- In order to support the increase of value-added product manufacturing, on December 23, 2024, the Ministry of food, agriculture and light industry and 10 commercial banks signed a financing agreement for “**Working capital and investment loans to support wool, cashmere, and leather processing industries**”.
- As of October 28, 2025, out of 303 loan applications totaling 876.1 MNT billion, 171 have been approved, **providing financing of 473 billion MNT to 168 borrowers**

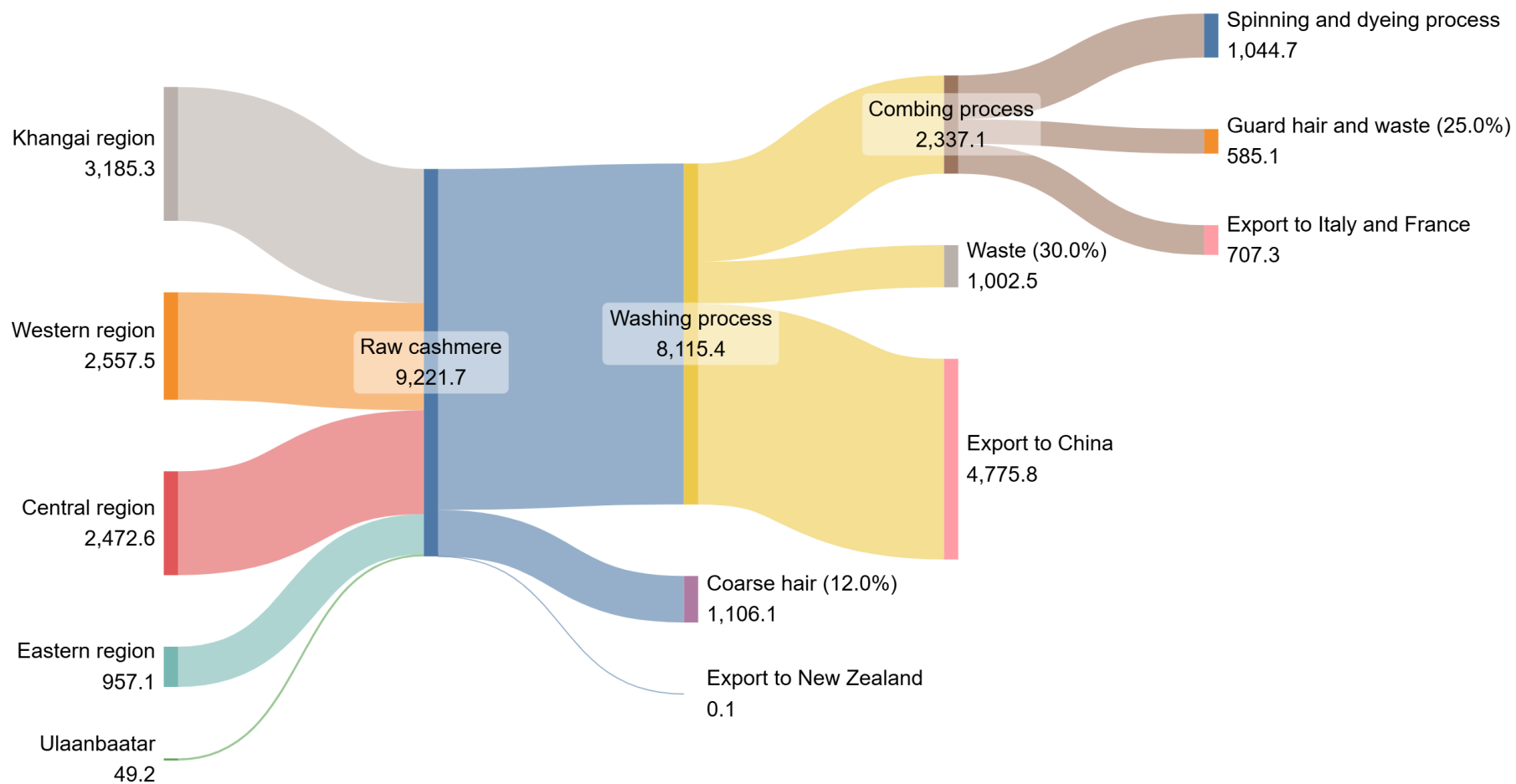
Source: Bank of Mongolia, as of October 28, 2025



II. CASHMERE PRODUCT MANUFACTURING SECTOR

Processing of cashmere

Figure 14. Cashmere supply flow by each processing stage, as of 2024



Source: Researcher's calculations, National statistics office,
Customs general administration



II. CASHMERE PRODUCT MANUFACTURING SECTOR

Research results

Figure 15. Utilization of total cashmere by production capacity

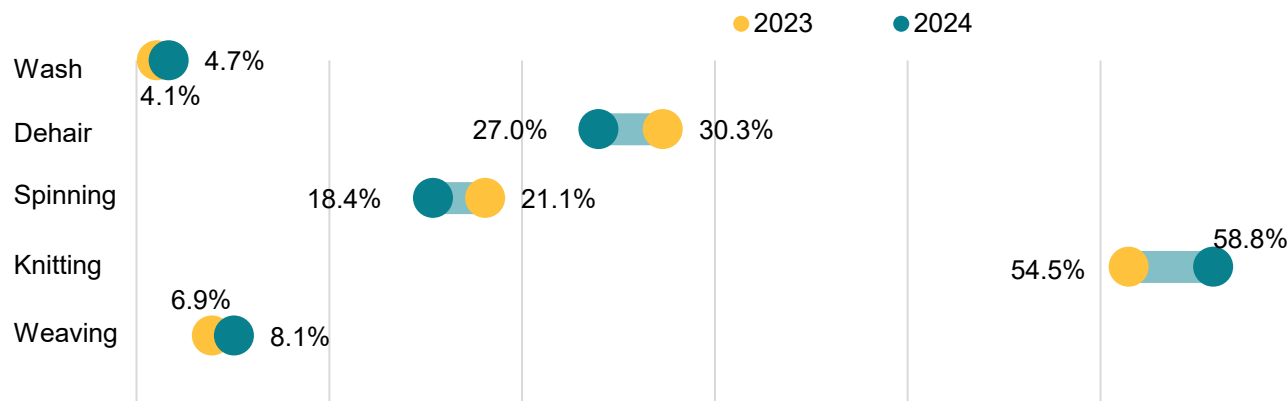
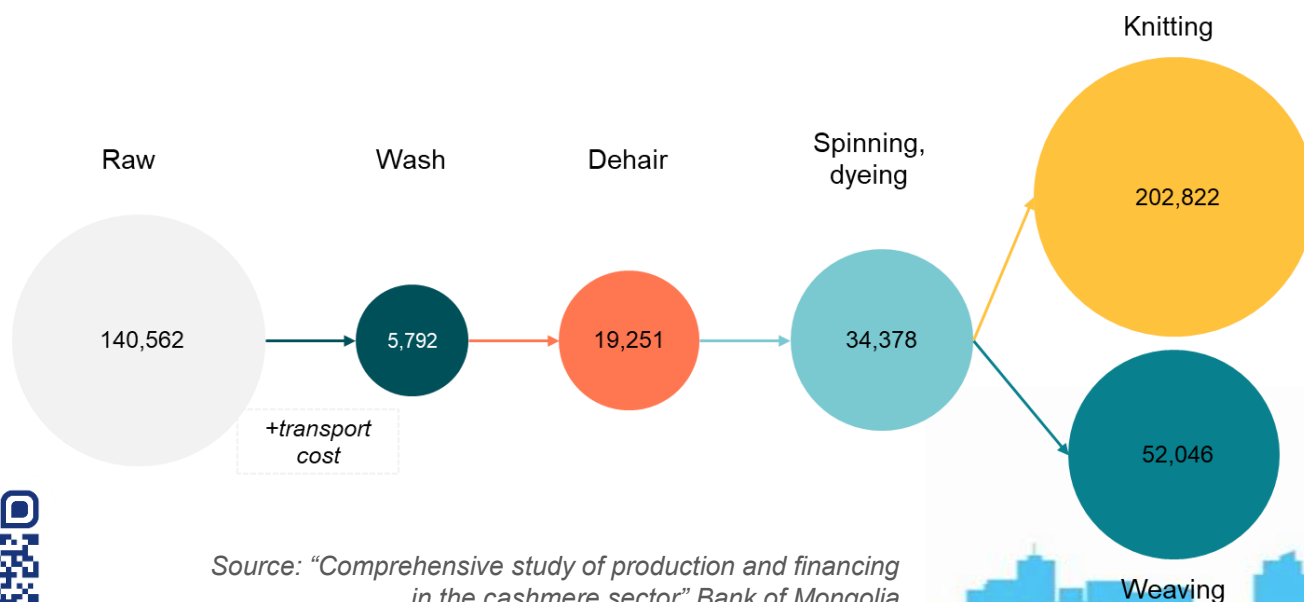


Figure 16. Unit cost of manufacturing cashmere products, as of 2024



Source: "Comprehensive study of production and financing in the cashmere sector" Bank of Mongolia

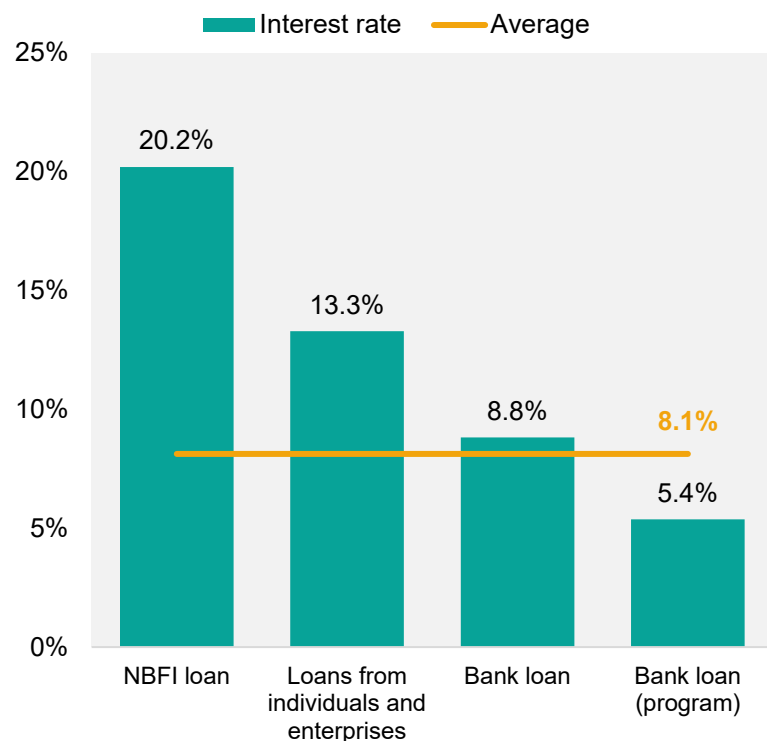
- A total of **39 enterprises participated** in the survey, including 4 deep-processing cashmere factories, 26 knitwear manufacturers, 2 weaving and spinning factories, and 7 primary-processing factories engaged in dehairing and washing.
- These enterprises account for **70%** of the sector's total sales, **82%** of total assets, and **85%** of total liabilities.
- Installed capacity is sufficient across all processing stages, with the knitting stage having the highest utilization rate.
- The spinning and knitting stages contribute the greatest value in transforming raw cashmere to final products.
- The value added at this is approximately ten times that of primary processing.



II. CASHMERE PRODUCT MANUFACTURING SECTOR

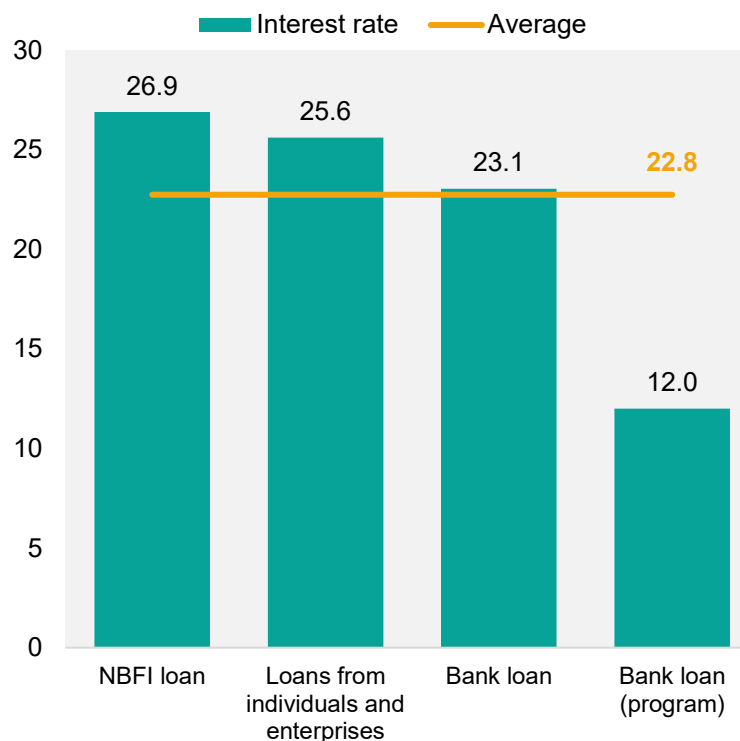
Research results

Figure 17. Interest rates on loans to enterprises in the sector, per year



Source: "Comprehensive study of production and financing in the cashmere sector" Bank of Mongolia

Figure 18. Loan term of enterprises in the sector, by months



Source: "Comprehensive study of production and financing in the cashmere sector" Bank of Mongolia

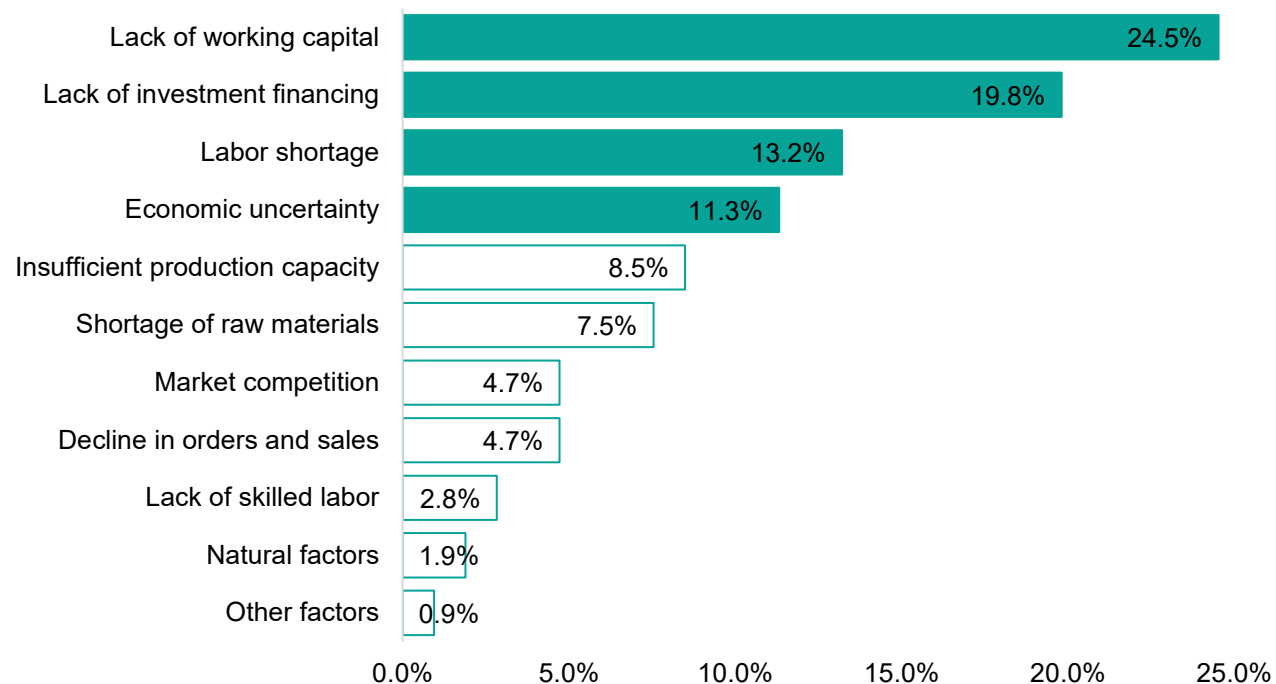
- Cashmere-sector enterprises have an average interest rate of **8.1%** and loan terms of **23 months**.
- These companies have an average outstanding loan of **4.9 billion MNT**.
- An average monthly loan repayment amounts to **234 million MNT**.



II. CASHMERE PRODUCT MANUFACTURING SECTOR

Research results

Figure 19. Challenges in carrying out activities



Source: "Comprehensive study of production and financing in the cashmere sector"
Bank of Mongolia

- The biggest challenges facing cashmere businesses in operating are financial difficulties, such as a lack of working capital and lack of investment financing.
- Labor shortages and economic uncertainty are also hindering operations.



III. CONCLUSION

- Reducing dependence on the mining sector, diversifying the economy, and creating value through labor-intensive production make the non-mining and light industry sectors particularly important.
- Cashmere and cashmere products, wool, other animal fibers, hides, and skins — agricultural raw materials and processed goods of animal origin — constitute the major share of Mongolia's non-mining exports.
- These products generate an average of about **USD 400 million** in export revenue annually.
- Although financing conditions for the manufacturing sector are relatively favorable, the amount of financing remains limited.
- Most of the prepared cashmere is exported with minimal processing, and only **8.4 percent enters final-product manufacturing**.
- By increasing the processing of wool and cashmere and exporting finished products, Mongolia could potentially triple or quadruple its current export revenues.



Thank you for your attention

